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PLEASE REPLY TO THE MISSOURI OFFICE

July 8, 1997

Mr. Jose M. Rodriguez
Attorney
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

VIA FEDERAL EXPRESS

Re: MUR 3774

Dear Mr. Rodriguez:

Pursuant to your correspondence of June 26, 1997, Civic Development Group and the Southern Education Council, Inc. are telemarketing firms, which either contract directly with an organization to provide fund-raising services or, alternatively, subcontract through other telemarketing firms to assist those firms in their fund-raising efforts. The subcontracting is an ordinary and normal aspect of the telemarketing business, and the process involved is quite simple. The telemarketing firm holding the contract with the ultimate beneficiary simply entertains bids from other firms with telemarketing capacity. If the firm is reputable and the compensation sought is reasonable, a subcontract is entered into.

The principals at Southern Education Council, Inc. do not specifically recall who brought the subcontracting opportunities to their attention. However, both Civic Development Group and Southern Education Council, Inc. have coordinated their activities through Linda Bailey at Optima Direct, Inc. Southern Education Council has no record of any prior subcontract activities for Optima Direct. However, Civic Development Group is currently subcontracting a cause-related marketing campaign through Optima Direct. This cause-related marketing specifically entails sales of credit cards to consumers.

The other documents provided were computer generated schedules referencing the activities conducted through the Optima subcontract. These campaigns were computer coded for accounting purposes. Optima paid Southern Education Council directly, as evidenced in those schedules. All relative paperwork, including scripts or other related materials, are discarded after payment. Thus, I have been informed that it is not possible to tie in what specific campaigns were involved. I can assume that Campaign NL201A specifically pertained to a Minnesota campaign; that is simply the result of the parenthetical existing after the code. Lists used to make the calls were provided through

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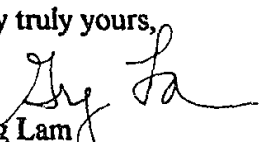
Optima Direct.

Concerning the invoice produced by my clients, the invoice was paid in full by Optima Direct. We do not have any knowledge or records pertinent to the entity billed by Optima Direct for these costs.

As I have maintained throughout this process, Southern Education Council and Civic Development Group, through its principals, wish to cooperate with the Commission in all aspects of your investigation. However, as I have also mentioned in previous communications, Southern Education Council was simply a subcontracting telemarketing firm making "mechanical" telephone calls based strictly upon information and scripts provided by the ultimate beneficiaries of the calls. This information was provided to Southern Education Council by Optima Direct. The extent of Optima Direct's involvement is beyond the knowledge of my clients. The only payments received by Southern Education Council were direct payments from Optima Direct in response to invoices provided by Southern Education Council. We have previously provided these schedules/invoices. The only "bank records" would relate to a handful of checks from Optima Direct. To provide bank records concerning all accounts held by Southern Education Council would be costly, burdensome, and could not reasonably believe to result in the discovery of any relevant information. I feel that the only result, should you wish to seek this information directly from the banks, would be additional costs to your office and to the clients of this office as we battle to quash any such subpoena.

I have been assured that all information held by Southern Education Council and related entities has already been brought forth. If there is anything further my clients can do to cooperate with your investigation, please advise.

Very truly yours,


Greg Lam
For the Firm

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